

CHAPTER 210

APPROPRIATIONS — STATE GOVERNMENT TECHNOLOGY AND OPERATIONS

H.F. 730

AN ACT relating to state government technology and operations, by making and relating to appropriations to the Iowa communications network for the connection and support of certain Part III users, making appropriations to various entities for other technology-related purposes, providing for the procurement of information technology, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I
ICN APPROPRIATIONS

Section 1. TREASURER OF STATE. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For debt service:

..... \$ 12,514,756

Funds appropriated in this section shall be deposited in a separate fund established in the office of the treasurer of state, to be used solely for debt service for the Iowa communications network. The commission shall certify to the treasurer of state when a debt service payment is due, and upon receipt of the certification the treasurer shall make the payment. The commission shall pay any additional amount due from funds deposited in the Iowa communications network fund.

Sec. 2. PART III RELATED APPROPRIATIONS.

1. PART III AUTHORIZED USERS.

a. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the Iowa communications network fund under the control of the Iowa telecommunications and technology commission for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the connection of a minimum of 110 Part III authorized users as determined by the commission and communicated to the general assembly:

..... \$ 22,640,000
..... FTEs 83.00

b. There is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the Iowa communications network fund under the control of the Iowa telecommunications and technology commission for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the connection of Part III authorized users as determined by the commission and communicated to the general assembly:

..... \$ 17,704,000

c. It is the intent of the general assembly that the connection of the authorized user sites pursuant to this subsection be awarded based upon the Part III contracts executed in 1995.

d. Notwithstanding the fact that funds appropriated pursuant to this subsection will not be made available prior to July 1, 1997, the Iowa telecommunications and technology commission is authorized to negotiate and enter into contracts for ordering necessary equipment related to the completion of the connections authorized in paragraph "a" as deemed appropriate by the commission upon the effective date of this paragraph.

e. It is the intent of the general assembly that the Iowa telecommunications and technology commission review and establish hourly rates, as provided in section 8D.3, subsection 3, paragraph "i", consistent with this paragraph. The general assembly declares its support for, and that it is the intent of the general assembly to continue, subsidization of video rates charged to public or nonpublic schools for grades kindergarten through twelve. Notwithstanding rules adopted by the commission, the general assembly expects that the commission shall annually review the rates charged and the revenue generated. The commission shall annually provide a written report to the general assembly by January 15 regarding whether funding available to subsidize rates, as permitted, is sufficient and an explanation as to why funding was sufficient or insufficient, for the immediately preceding fiscal year. If funding is insufficient, the commission shall refer to section 8D.3, subsection 3, paragraph "i", for possible guidance in eliminating any deficit associated with the subsidization of rates. The elimination of the deficit should not, to the extent practicable, affect the rates charged to public or nonpublic schools for grades kindergarten through twelve.

f. The Iowa telecommunications and technology commission shall review and determine the level of subsidization for courses offered through the use of the network which are noncredit customized courses. The commission shall evaluate the need for the subsidization of such courses. The commission shall provide a written report to the general assembly by January 1, 1998, which shall include the findings of the commission and any recommendations related to the issues reviewed.

2. PART III NETWORK COSTS — SUBSIDIZATION FUND. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated in this subsection:

a. For the subsidization of video rates for authorized users as provided in this subsection, and consistent with chapter 8D, excluding the purposes provided for in paragraph "b":
 \$ 2,510,000

The department of education shall establish by rule a procedure for the commission to be reimbursed for that portion of the cost of providing interactive video service to nonpublic and public schools for grades kindergarten through twelve and community colleges which is not included in the rates charged to such users for such service. The Iowa telecommunications and technology commission may submit recommendations concerning the procedure to the department.

Notwithstanding section 8.33 or 8.39, any balance remaining from the appropriation in this paragraph shall not revert to the general fund of the state but shall be available for expenditure during the subsequent fiscal year for the same purpose, and shall not be transferred to any other program. The department shall not be liable for reimbursing any amounts which are in excess of the appropriation made in this subsection.

b. For expansion of the Iowa communications network backbone and for the replacement of obsolete equipment:
 \$ 500,000

Sec. 3. PUBLIC BROADCASTING. There is appropriated from the general fund of the state to the public broadcasting division of the department of education for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated in subsections 1 and 2:
 \$ 2,200,000

1. Of the amount appropriated, \$450,000 shall be expended by the public broadcasting division of the department of education to provide support for functions related to the network, including but not limited to the following functions: scheduling for video classrooms; development of distance learning applications; development of a central information source on the Internet relating to educational uses of the network; second-line technical support for network sites; testing and initializing sites onto the network; and coordinating the work of the education telecommunications council.

2. Of the amount appropriated, \$1,750,000 shall be allocated by the public broadcasting division of the department of education to the regional telecommunications councils established in section 8D.5. The regional telecommunications councils shall use the funds to provide technical assistance for network classrooms, planning and troubleshooting for local area networks, scheduling of video sites, and other related support activities.

Sec. 4. As a condition of the appropriations made to the Iowa telecommunications and technology commission in section 2, subsection 2 of this Act, and to the public broadcasting division in section 3, of this Act, the commission and the division, in consultation with the legislative fiscal bureau, shall jointly collect information and prepare a report including the number of sites, number of programs offered at each site by type of program, and the estimated number of participants involved. The estimated number of participants will be based on the number of expected participants at each site provided by the authorized user on the request for the use of the network. The information collected and reported shall be for all video uses of the network. Copies of the report shall be provided to the chairpersons and ranking members of the subcommittee on oversight and communications, and to the legislative fiscal bureau. The report shall be provided biannually with one report provided no later than January 15 for the immediately preceding six-month period beginning July 1 and ending December 31; and an annual report to be provided no later than July 15 containing information for the immediately preceding six-month period beginning January 1 and ending June 30, and also a summary of the information for the immediately preceding fiscal year.

Sec. 5. It is the intent of the general assembly that the Iowa telecommunications and technology commission, local exchange carriers in this state, long distance carriers providing telecommunications services in this state, internet service providers, and the Iowa utilities board establish a partnership to develop and establish a plan to provide nontoll dial-up internet access to areas of the state which currently are not served by an internet provider offering such nontoll access. The utilities board shall initiate and coordinate the establishment of the partnership and provide staffing assistance to the partnership. The utilities board shall provide a written report to the general assembly no later than January 1, 1998.

Sec. 6. INFORMATION TECHNOLOGY SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the purpose of providing information technology services to state agencies:

.....	\$	4,704,962
.....	FTEs	158.00

Sec. 7. CONVERSION OF LEASED ANALOG CIRCUITS. Notwithstanding section 8.57, subsection 5, paragraph "c", there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the Iowa communications network fund created in section 8D.14 for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the leasing of T-1 circuits for current Part III analog technology sites until an upgrade to DS-3 circuit connections can be made:

.....	\$	61,016
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The telecommunications and technology commission is authorized to use Part III funding to convert any leased analog circuit to a leased DS-3 circuit for a Part III site when the existing contract vendor agrees to upgrade the service.

Sec. 8. TECHNOLOGY PROJECTS.

1. Notwithstanding section 8.57, subsection 5, paragraph "c", there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the department

of general services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of implementing reengineering projects with an emphasis on technology:

..... \$ 800,000

The projects identified for funding from the appropriation in this subsection shall be undertaken in consultation with the department of management.

2. Notwithstanding section 8.57, subsection 5, paragraph "c", there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the department of general services for the fiscal year beginning July 1, 1998, and ending June 30, 1999, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purposes of implementing reengineering projects with an emphasis on technology:

..... \$ 1,000,000

The projects identified for funding from the appropriation in this subsection shall be undertaken in consultation with the department of management.

3. Notwithstanding section 8.57, subsection 5, paragraph "c", there is appropriated from the rebuild Iowa infrastructure fund created in section 8.57, subsection 5, to the Iowa communications network fund under the control of the Iowa telecommunications and technology commission for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To match funds to make ICN connections at the Anamosa and Rockwell City institutions:

..... \$ 350,000

Sec. 9. EFFECTIVE DATES. Section 2, subsection 1, paragraphs "d" and "e", of this division of this Act, which authorize the Iowa telecommunications and technology commission to begin negotiations for ordering necessary equipment prior to the availability of funding and direct the commission to increase rates charged for use of the network, being deemed of immediate importance, take effect upon enactment.

DIVISION II CENTURY DATE CHANGE

Sec. 10. REVERSION INCENTIVE PROGRAM FUND.

1. The department of general services shall establish a reversion incentive program fund for purposes of supporting the implementation of century date change programming, and shall be funded as follows:

a. Notwithstanding the distribution formula contained in section 8.62 for an operational appropriation which remains unexpended or unencumbered for the fiscal year beginning July 1, 1996, 75 percent of the unexpended or unencumbered moneys subject to that section shall be appropriated to the reversion incentive program fund. The remaining 25 percent shall remain with the entity to which the appropriation was made. Notwithstanding section 8.33, for an appropriation other than an operational appropriation as provided in section 8.62 which remains unencumbered for the fiscal year beginning July 1, 1996, 100 percent of the unexpended or unencumbered moneys shall be appropriated to the reversion incentive program fund.

b. If the total of all moneys appropriated to the fund from unexpended or unencumbered moneys for the fiscal year beginning July 1, 1996, pursuant to paragraph "a" is less than \$10 million, there is appropriated from the general fund of the state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, to the reversion incentive program fund on October 1, 1997, an amount equal to the difference between \$10 million and such total of all moneys appropriated to the fund pursuant to paragraph "a".

c. Notwithstanding the fact that the total amount of funds appropriated pursuant to paragraph "b" will not be made available prior to October 1, 1997, the department of general services is authorized to negotiate and enter into contracts as necessary to begin the implementation of century date change programming.

d. The appropriation of moneys to the fund made pursuant to this subsection shall terminate when the total amount of moneys appropriated to the fund from all sources provided in this subsection equals \$15 million.

e. An agency expending moneys from the fund for implementing century date change programming and which receives moneys from another source, including but not limited to the United States government, for the same purpose shall deposit an amount equal to the amount received from the other source into the general fund of the state up to the amount expended from the fund.

f. The provisions of section 8.33 shall not apply to the moneys appropriated to the reversion incentive program fund provided in this subsection. Unencumbered or unobligated moneys remaining in the fund on June 30, 2001, shall revert to the general fund of the state on August 31, 2001.

2. The department shall not enter into a contract or any other obligation for the purpose of addressing the need for century date programming which would require the need for funding in excess of the amount appropriated in this section. The department shall utilize, to the greatest extent possible, students and other knowledgeable persons connected with Iowa's colleges and universities in developing or acquiring hardware, software, and programming funded under this section. Otherwise, any acquisition for the purposes described in this section is subject to competitive bidding requirements in rule adopted under law and in accordance with the requirements of this section. In order to maintain maximum open and free competition among bidders, an eligible bidder shall have been organized or doing business prior to January 1, 1997. In addition, an eligible bidder shall not have a relationship with the state for assessment of bids or for preparation of a request for proposals under this section. A bidder with an actual or organizational conflict of interest shall be disqualified. A bidder shall be considered to have a conflict of interest if the organization, or a parent, subsidiary, or affiliated organization, of which the bidder is a shareholder, partner, limited partner, or member, has a conflict of interest. A bidder shall provide assurances of compliance with the requirements of this paragraph at the time of submitting a bid or proposal for any acquisition for the purposes described in this section.

The department shall retain outside legal counsel for the purpose of reviewing all contracts or agreements entered into associated with implementation of century date change programming.

3. It is the intent of the general assembly that at least 50 percent of all resources committed to computing services and computer hardware and software for a department, including full-time equivalent positions, shall be used for implementing century date change programming within that department. The department of general services shall make a quarterly report concerning implementation of the century date change programming to the chairpersons and ranking members of the subcommittee on oversight and communications, and to the legislative fiscal bureau. The format for the report shall be developed in consultation with the legislative fiscal bureau. A report shall be made no later than October 15, January 15, April 15, and July 15, for the three-month period immediately preceding the month in which the report is to be made.

4. This section shall not apply to moneys otherwise specifically exempted from reversion by the general assembly; moneys subject to reversion under section 8.33, the reversion of which the general assembly has specifically provided for in another Act enacted during a previous legislative session, or another Act enacted during the 1997 regular session, whether or not such Act is effective before or after the effective date of this section; moneys deposited in a separate account or fund in the state treasury, the unencumbered amounts of which are to be retained in such account or fund as provided by the general assembly; and appropriations which are item vetoed by the governor.

Sec. 11. EFFECTIVE DATE. Section 10 of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

* Item veto; see message at end of the Act

DIVISION III LEGISLATIVE OVERSIGHT

Sec. 12. LEGISLATIVE OVERSIGHT COMMITTEE.

1. COMMITTEE ESTABLISHED. It is the intent of the general assembly that the legislative council establish a legislative oversight committee which shall be composed of ten members, consisting of three members of the majority party in the senate appointed by the majority leader and two members of the minority party in the senate appointed by the minority leader, and three members of the majority party and two members of the minority party in the house of representatives appointed by the speaker of the house in consultation with the minority leader. The majority leader of the senate and the speaker of the house of representatives shall each designate a co-chairperson and co-vice chairperson, and the minority leader of the senate and of the house of representatives shall each designate a co-ranking member.

2. POWERS AND DUTIES OF COMMITTEE.

a. The purpose of the legislative oversight committee is to review and analyze the structure and operations of state government and the use of information technology in providing services and enhancing the ability of the public to interact with government.

b. The legislative oversight committee shall be staffed by the legislative fiscal bureau and the legislative service bureau.

c. The legislative oversight committee may, subject to the approval of the legislative council, conduct a review of one or more programs or regulations administered or enforced by state government.

d. The legislative oversight committee shall prepare a final report and a summary of the report for submission to the general assembly not later than the first day of each regular session of the general assembly as provided in section 2.1. The report shall contain findings and recommendations of the legislative oversight committee, which may include proposed bills or resolutions.

3. COMPENSATION AND EXPENSES. Members of the legislative oversight committee who are not members of the legislative council shall be entitled to receive the same expenses and compensation provided for the members of the legislative council.

Sec. 13. EFFECTIVE DATE. Section 12, as enacted in this division of this Act, being deemed of immediate importance, take effective upon enactment.

DIVISION IV MISCELLANEOUS

Sec. 14. RESTRICTION ON TRANSFERS. Notwithstanding section 8.39, funds appropriated in this Act shall not be transferred or used for any other purposes than the purposes designated in this Act.

Sec. 15. INTERIM STUDY. The legislative council is requested to establish an interim study committee to study issues relating to privatizing the management of the Iowa communications network, and to report its findings and recommendations to the general assembly prior to the beginning of the 1998 legislative session.

Sec. 16. PRIVATE COLLEGE CERTIFICATION. Notwithstanding section 8D.9, the following private colleges which have requested certification for access to the Iowa communications network are authorized for connection and use of the network upon satisfying all mandates and conditions included in section 8D.9:

1. Coe College, Cedar Rapids.
2. Cornell College, Mt. Vernon.
3. Palmer Chiropractic College, Davenport.
4. Simpson College, Indianola.

Sec. 17. Section 8D.13, subsection 11, Code 1997, is amended to read as follows:

11. The fees charged for use of the network and state communications shall be based on the ongoing operational costs of the network and of providing state communications only. For the services rendered to state agencies by the commission, the commission shall prepare a statement of services rendered and the agencies shall pay in a manner consistent with procedures established by the department of revenue and finance.

Sec. 18. Section 18.8, unnumbered paragraph 1, Code 1997, is amended to read as follows:

The director shall provide necessary ~~voice or data communications, including telephone and telegraph~~ telecommunications cabling, lighting, fuel, and water services for the state buildings and grounds located at the seat of government, except the buildings and grounds referred to in section 216B.3, subsection 6.

Sec. 19. Section 29C.20, subsection 1, Code 1997, is amended to read as follows:

1. A contingent fund is created in the state treasury for the use of the executive council which may be expended for the purpose of paying the expenses of suppressing an insurrection or riot, actual or threatened, when state aid has been rendered by order of the governor, and for repairing, rebuilding, or restoring state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, and for repairing, rebuilding, or restoring state property which is fiberoptic cable and which is injured or destroyed by a wild animal, and for aid to any governmental subdivision in an area declared by the governor to be a disaster area due to natural disasters or to expenditures necessitated by the governmental subdivision toward averting or lessening the impact of the potential disaster, where the effect of the disaster or action on the governmental subdivision is the immediate financial inability to meet the continuing requirements of local government. Upon application by a governmental subdivision in such an area, accompanied by a showing of obligations and expenditures necessitated by an actual or potential disaster in a form and with further information the executive council requires, the aid may be made in the discretion of the executive council and, if made, shall be in the nature of a loan up to a limit of seventy-five percent of the showing of obligations and expenditures. The loan, without interest, shall be repaid by the maximum annual emergency levy authorized by section 24.6, or by the appropriate levy authorized for a governmental subdivision not covered by section 24.6. The aggregate total of loans shall not exceed one million dollars during a fiscal year. A loan shall not be for an obligation or expenditure occurring more than two years previous to the application.

When a state department or agency requests that moneys from the contingent fund be expended to repair, rebuild, or restore state property injured, destroyed, or lost by fire, storm, theft, or unavoidable cause, or to repair, rebuild, or restore state property which is fiberoptic cable and which is injured or destroyed by a wild animal, the executive council shall consider the original source of the funds for acquisition of the property before authorizing the expenditure. If the original source was other than the general fund of the state, the department or agency shall be directed to utilize moneys from the original source if possible. The executive council shall not authorize the repairing, rebuilding, or restoring of the property from the disaster aid contingent fund if it determines that moneys from the original source are available to finance the project.

Approved May 23, 1997, except the items which I hereby disapprove and which are designated as Section 10, subsection 2, unnumbered and unlettered paragraph 2 in its entirety; and Section 10, subsection 3 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit House File 730, an Act relating to state government technology and operations, by making and relating to appropriations to the Iowa communications network for the connection and support of certain Part III users, making appropriations to various entities for other technology-related purposes, providing for the procurement of information technology, and providing effective dates.

House File 730 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as section 10, subsection 2, unnumbered and unlettered paragraph 2, in its entirety. This item would require the Department of General Services to retain outside legal counsel to review agency agreements relating to Year 2000 compliance. Executive branch agencies enter into hundreds of technology agreements every year. Many of these agreements include programs that have a component related to Year 2000 compliance. Retaining outside legal counsel to review these agency agreements is unnecessary and would add significantly to the cost of technology products and services.

I am unable to approve the item designated as section 10, subsection 3, in its entirety. This item would require state agencies to use at least fifty percent of their resources committed to information technology to implement Year 2000 programming. All executive branch agencies are encouraged to maximize their resources to make the modifications required by the Year 2000. I am committed to assuring that state agencies report on the progress made towards meeting Year 2000 compliance and the resources used to achieve this purpose.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 730 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, Governor

CHAPTER 211

APPROPRIATIONS — ADMINISTRATION AND REGULATION

S.F. 529

AN ACT relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. AUDITOR OF STATE. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,393,355
.....	FTEs	112.50

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursu-